



Limited

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Potts Point NSW 2000
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27 January 2015

Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
Sydney, NSW, 2000

Dear Sirs,

Appendix 4C – Quarter Ended 31 December 2014

Appendix 4C for the quarter ended 31 December 2014 is attached. The cash flow data contained therein is unaudited.

Given that the Company's annual report for 2014 will be released prior to 28 February 2015, no supplementary accounting data and Executive Chairman's report are included.

Please refer to Appendix 5 of the 30 September 2014 Appendix 4C lodged with the ASX on 30 October 2014. Appendix 5 incorrectly deducted a cash flow of \$3,000,000 from the category "Net capital raised from issue of securities" and added it to the category "Net cash (used)/generated in other operating activities". The error has been corrected in this report - refer Note 1 in the table of Operating Cash Flows and Note 2 in the table of Financing Cash Flows.

Yours Sincerely

A handwritten signature in black ink, appearing to read "Nicholas Andrews". The signature is fluid and cursive, with a long horizontal stroke at the end.

Nicholas Andrews
Executive Chairman
Magontec Limited



Limited

QUARTERLY CASHFLOW - APPENDIX 4C

for the Period Ended 31 December 2014

Magontec Limited

ABN: 51 010 441 666
Registered & Principal Office:
Office 10, Level 8,
139 Macquarie Street,
Sydney, NSW 2000 Australia

Tel: +61 2 8231 7085
Fax: +61 2 9252 8960
Website: www.magontec.com
Email: Corporate@magontec.com

Non-Executive Directors (as at 31 December 2014)

Zhongjun Li
Kangmin Xie
Andre Labuschagne

Independent Directors (as at 31 December 2014)

Robert Shaw
Robert Kaye

Management Team

Nicholas Andrews
Executive Chairman

John Talbot
Chief Financial Officer

Company Secretary
John Talbot

Issued Capital (as at 31 December 2014)

Ordinary Shares (ASX Code MGL)
1,115,725,813 fully paid Ordinary shares on issue

Options: Nil

Substantial Shareholders

Major Shareholders	No. of shares	Percent
Qinghai Salt Lake Magnesium Industry Limited	330,535,784	29.63
Straits Mine Management Pty Limited	169,139,195	15.16
J P Morgan Nominees Australia Limited	111,366,417	9.98
Citicorp Nominees Pty Limited	89,481,923	8.02
KWE(HK)Investment Development Co Limited	55,797,298	5.00

Share Registry Services

Boardroom Pty Limited
Level 7, 207 Kent St
Sydney NSW 2000

Postal:
GPO Box 3993
Sydney NSW 2001

Tel: 1300 737 760 or
International: +61 2 9290 9600
Fax: 1300 653 459
Website: <http://www.boardroomlimited.com.au>

The current share price can be obtained from the ASX Website

Appendix 4C

Quarterly Report

Introduced 31/3/2000. Amended 30/9/2001.

Name of entity

Magontec Limited

ABN

51 010 441 666

Quarter ended ("current quarter")

31 December 2014

	Quarter Ended 31-Dec-14 (3 months) + = Cash In () = Cash Out	Year To Date 31-Dec-14 (12 months) + = Cash In () = Cash Out	Year To Date 30-Sep-14 (9 months) + = Cash In () = Cash Out
	AUD	AUD	AUD
OPERATING CASH FLOWS			
(a) Operating Activities - other than net working capital assets			
Revenues excluding investment income	39,623,079	148,785,425	109,162,346
Operating Expenses excluding depreciation	(39,477,053)	(148,209,892)	(108,732,839)
Interest received	15,584	97,593	82,009
Interest expense	(863,329)	(1,087,672)	(224,344)
Taxation	434	(252,975)	(253,410)
Operating profit/(loss) before working capital movement	(701,284)	(667,521)	33,763
(b) Operating Activities - net working capital assets			
Cash flow on working capital assets			
- Inventory	(4,700,854)	(5,626,590)	(925,736)
- Trade and Other Receivables	2,654,015	2,402,953	(251,061)
- Other	(573,929)	(1,416,540)	(842,611)
- Adjustment for non-cash items	(295,814)	(26,376)	269,437
Cash flow on working capital liabilities			
- Creditors and accruals	4,815,055	945,584	(3,869,471)
- Provisions	(248,114)	(1,213,654)	(965,540)
- Other	(1,240,813)	(905,781)	335,031
- Adjustment for non-cash items	(48,116)	895,545	943,661
Operating profit/(loss) from working capital movement	361,430	(4,944,859)	(5,306,290)
Net cash (used)/generated in operating activities (a) + (b)	(339,854)	(5,612,381)	(5,272,527)

Note 1. The cash outflow to 9 months ended 30 September 2014 has been increased by \$3,000,000 compared to the figure appearing in the Appendix 4C for quarter ended 30 September 2041.

	Quarter Ended 31-Dec-14 (3 months) + = Cash In () = Cash Out	Year To Date 31-Dec-14 (12 months) + = Cash In () = Cash Out	Year To Date 30-Sep-14 (9 months) + = Cash In () = Cash Out
INVESTING CASH FLOWS	AUD	AUD	AUD
Net cash out on purchase/disposal of PP & E ⁽¹⁾	(1,338,647)	(2,408,233)	(1,069,585)
Group Information Technology software	(4,841)	(39,915)	(35,074)
Other	(28,738)	(28,738)	0
Net cash provided by/(used in) investing activities	(1,372,227)	(2,476,886)	(1,104,659)
<i>(1) P P & E = Property, Plant and Equipment</i>			

	Quarter Ended 31-Dec-14 (3 months) + = Cash In () = Cash Out	Year To Date 31-Dec-14 (12 months) + = Cash In () = Cash Out	Year To Date 30-Sep-14 (9 months) + = Cash In () = Cash Out
FINANCING CASH FLOWS	AUD	AUD	AUD
Principal reduction on debt owing to SMM ⁽²⁾	(0)	(2,100,046)	(2,100,046)
Bank Debt	5,269,833	5,333,656	63,823
Net capital raised from issue of securities	31,644	5,070,305	5,038,661
Net cash provided by financing activities	5,301,477	8,303,915	3,002,438
<i>(2) SMM = Straits Mine Management Pty Limited</i>			

Note 2. The cash inflow to 9 months ended 30 September 2014 has been increased by \$3,000,000 compared to the figure appearing in the Appendix 4C for quarter ended 30 September 2014.

	Quarter Ended 31-Dec-14 (3 months) + = Cash In () = Cash Out	Year To Date 31-Dec-14 (12 months) + = Cash In () = Cash Out	Year To Date 30-Sep-14 (9 months) + = Cash In () = Cash Out
Net increase/(decrease) in cash and cash equivalents excluding foreign exchange effects	3,589,397	214,648	(3,374,749)
Foreign exchange effects on total cash flow movement	592,045	622,517	30,472
Cash and cash equivalents at the beginning of quarter/year to date	4,031,077	7,375,354	7,375,354
Cash and cash equivalents at the end of the reporting period	8,212,519	8,212,519	4,031,077

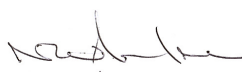
Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Quarter Ended 31 December 2014
		\$A
1.6 (a)	Aggregate amount of payments to the relevant parties (aggregate fees paid to directors)	\$35,000
(b)		
1.7	Aggregate amount of loans to the relevant parties	Nil
1.8	Explanation necessary for an understanding of the transactions	

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act 2001 (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign
here:



Date: 27 January 2015
Executive Chairman
Magontec Limited

Print
name:

Mr Nicholas Andrews

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

- 2 The definitions in, and provisions of, *AASB 107: Cash Flow Statements* apply to this report except for the paragraphs of the Standard set out below.
 - Aus20.1 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 39 - 42 - itemised disclosure relating to acquisitions and disposals
 - 48 - 52 - disclosure of restrictions on use of cash

- 3 Accounting Standards. ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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